

PRLBL 10/15/2007 1:03 PM

Partner# 2
Schedule K-1
(Form 1065)Department of the Treasury
Internal Revenue Service**2006**For calendar year 2006, or tax
year beginning _____
ending _____**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Partnership

A	Partnership's employer identification number 22-3800350
B	Partnership's name, address, city, state, and ZIP code PRIVATE LABEL SOURCING, LLC 597 BROADWAY 2ND FLOOR NEW YORK NY 10012
C	IRS Center where partnership filed return Cincinnati, OH 45999-0011
D	<input type="checkbox"/> Check if this is a publicly traded partnership (PTP)
E	Tax shelter registration number, if any _____
F	<input type="checkbox"/> Check if Form 8271 is attached

Part II Information About the Partner

G	Partner's identifying number Applied For												
H	Partner's name, address, city, state, and ZIP code JETWELL GARMENTS, LT 576-586 CASTLE PEAK ROAD CHEUNG SAH WAN KOWLOON												
I	<input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member												
J	<input type="checkbox"/> Domestic partner <input checked="" type="checkbox"/> Foreign partner												
K	What type of entity is this partner? Corporation												
L	Partner's share of profit, loss, and capital: <table border="1"> <thead> <tr> <th></th> <th>Beginning</th> <th>Ending</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Loss</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Capital</td> <td>50.811100 %</td> <td>50.811100 %</td> </tr> </tbody> </table>		Beginning	Ending	Profit	50.000000 %	50.000000 %	Loss	50.000000 %	50.000000 %	Capital	50.811100 %	50.811100 %
	Beginning	Ending											
Profit	50.000000 %	50.000000 %											
Loss	50.000000 %	50.000000 %											
Capital	50.811100 %	50.811100 %											
M	Partner's share of liabilities at year end: Nonrecourse \$ _____ Qualified nonrecourse financing \$ _____ Recourse \$ 1,698,386												
N	Partner's capital account analysis: Beginning capital account \$ -552,891 Capital contributed during the year \$ _____ Current year increase (decrease) \$ -415,529 Withdrawals & distributions \$ (_____) Ending capital account \$ -968,420 <input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book <input type="checkbox"/> Other (explain) _____												

☐ Final K-1☐ Amended K-1**651106**
OMB No. 1545-0099

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss) -376,043	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)	A	1
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C*	STMT
		19	Distributions
12	Section 179 deduction		
13	Other deductions		
		20	Other information
		W*	STMT
14	Self-employment earnings (loss) C 1,081,079		

* See attached statement for additional information.

For IRS Use Only



Schedule K-1 (Form 1065) 2006

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This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
1. Ordinary business income (loss). You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows:	K Empowerment zone and renewal community employment credit	Form 8844, line 3
Passive loss	L Credit for increasing research activities	See the Partner's Instructions
Passive income	M New markets credit	
Nonpassive loss	N Credit for employer social security and Medicare taxes	
Nonpassive income	O Backup withholding	Form 1040, line 64
2. Net rental real estate income (loss)	P Other credits	See the Partner's Instructions
3. Other net rental income (loss)		
Net income		
Net loss		
4. Guaranteed payments		
5. Interest income		
6a. Ordinary dividends		
6b. Qualified dividends		
7. Royalties		
8. Net short-term capital gain (loss)		
9a. Net long-term capital gain (loss)		
9b. Collectibles (28%) gain (loss)		
9c. Unrecaptured section 1250 gain		
10. Net section 1231 gain (loss)		
11. Other income (loss)		
Code		
A Other portfolio income (loss)		See the Partner's Instructions
B Involuntary conversions		See the Partner's Instructions
C Sec. 1256 contracts & straddles		Form 6781, line 1
D Mining exploration costs recapture		See Pub. 535
E Cancellation of debt		Form 1040, line 21 or Form 982
F Other income (loss)		See the Partner's Instructions
12. Section 179 deduction		See the Partner's Instructions
13. Other deductions		
A Cash contributions (50%)		See the Partner's Instructions
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		Form 4952, line 1
F Capital gain property (20%)		
G Investment interest expense		
H Deductions-royalty income		
I Section 59(e)(2) expenditures		See the Partner's Instructions
J Deductions-portfolio (2% floor)		Schedule A, line 22
K Deductions-portfolio (other)		Schedule A, line 27
L Amounts paid for medical insurance		Schedule A, line 1 or Form 1040, line 29
M Educational assistance benefits		See the Partner's Instructions
N Dependent care benefits		Form 2441, line 12
O Preproductive period expenses		See the Partner's Instructions
P Commercial revitalization deduction from rental real estate activities		See Form 8582 Instructions
Q Pensions and IRAs		See the Partner's Instructions
R Reforestation expense deduction		See the Partner's Instructions
S Domestic production activities information		See Form 8903 instructions
T Qualified production activities income		Form 8903, line 7
U Employer's W-2 wages		Form 8903, line 13
V Other deductions		See the Partner's Instructions
14. Self-employment earnings (loss)		
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		
A Net earnings (loss) from self-employment		Schedule SE, Section A or B
B Gross farming or fishing income		See the Partner's Instructions
C Gross non-farm income		See the Partner's Instructions
15. Credits		
A Low-income housing credit (section 42(j)(5))		See the Partner's Instructions
B Low-income housing credit (other)		
C Qualified rehabilitation expenditures (rental real estate)		
D Other rental real estate credits		
E Other rental credits		Form 1040, line 70; check box a
F Undistributed capital gains credit		
G Credit for alcohol used as fuel		
H Work opportunity credit		
I Welfare-to-work credit		See the Partner's Instructions
J Disabled access credit		
16. Foreign transactions		
A Name of country or U.S. possession		Form 1116, Part I
B Gross income from all sources		
C Gross income sourced at partner level		
Foreign gross income sourced at partnership level		
D Passive		Form 1116, Part I
E Listed categories		
F General limitation		
Deductions allocated and apportioned at partner level		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
Deductions allocated and apportioned at partnership level to foreign source income		
I Passive		Form 1116, Part I
J Listed categories		
K General limitation		
Other information		
L Total foreign taxes paid		Form 1116, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Partner's Instructions
17. Alternative minimum tax (AMT) items		
A Post-1986 depreciation adjustment		See the Partner's Instructions and the Instructions for Form 6251
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal-gross income		
E Oil, gas, & geothermal-deductions		Form 6251
F Other AMT items		
18. Tax-exempt income and nondeductible expenses		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income		See the Partner's Instructions
C Nondeductible expenses		See the Partner's Instructions
19. Distributions		
A Cash and marketable securities		See the Partner's Instructions
B Other property		See the Partner's Instructions
20. Other information		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Fuel tax credit information		Form 4136
D Qualified rehabilitation expenditures (other than rental real estate)		See the Partner's Instructions
E Basis of energy property		See the Partner's Instructions
F Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
G Recapture of low-income housing credit (other)		Form 8611, line 8
H Recapture of investment credit		Form 4255
I Recapture of other credits		See the Partner's Instructions
J Look-back interest-completed long-term contracts		Form 8697
K Look-back interest-income forecast method		Form 8866
L Dispositions of property with section 179 deductions		See the Partner's Instructions
M Recapture of section 179 deduction		
N Interest expense for corporate partners		
O Section 453(l)(3) information		
P Section 453A(c) information		See the Partner's Instructions
Q Section 1260(b) information		
R Interest allocable to production expenditures		
S CCF nonqualified withdrawals		
T Information needed to figure depletion-oil and gas		See the Partner's Instructions
U Amortization of reforestation costs		
V Unrelated business taxable income		
W Other information		

DAA

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22-3800350

Partner Statements

FYE: 12/31/2006

**PRIVATE LABEL SOURCING, LLC
Schedule K-1**Partner #: 2Partner Name: JETWELL GARMENTS, LTSSN/EIN: Applied For**Schedule K-1, Line 18 - Tax-Exempt Income and Nondeductible Expenses**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
C	OFFICER LIFE INSURANCE	\$ 12,532
C	30% AUTOMOBILE LEASE	2,925
C	Nondeductible Meals and Entertainment	3,985

Schedule K-1, Line 20W - Additional Supplemental Information

<u>Description</u>	
Additional Alternative Minimum Tax Information:	
AMT Total Depreciation	21,698
ACE Post-1993 property depreciation	18,848

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Analysis of Partner's K-1, Current Year Inc (Dec)

FYE: 12/31/2006

PRIVATE LABEL SOURCING, LLCPartner #: 2Partner Name: JETWELL GARMENTS, LTItems Included in Current Year Inc (Dec):Schedule K Additions:

Ordinary Income\Loss	\$ -376,043
Subtotal	-376,043

Schedule M-1 Additions:

Book-Tax Amortization Difference	500
Subtotal	500

Schedule M-1 Subtractions:

Book-Tax Depreciation Difference	20,544
Meals & Entertainment	3,985
<u>Book Expenses Not Deducted On Tax Return:</u>	
OFFICER LIFE INSURANCE	12,532
30% AUTOMOBILE LEASE	2,925
Subtotal	39,986

Total per Schedule K-1, Current Year Inc (Dec)	\$ -415,529
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Partner# 2

Schedule K-1		Partner's Basis Worksheet, Page 1		2006
		For calendar year 2006, or tax year beginning		, and ending

Partnership Name PRIVATE LABEL SOURCING, LLC	Employer Identification Number 22-3800350
Partner's Name JETWELL GARMENTS, LT	Taxpayer Identification Number Applied For

Beginning of year 0

Increases:

Capital contributions:

Cash

Property (adjusted basis)

Increase in share of partnership liabilities 1,698,386

"Excess" depletion

Income items:

Ordinary income

Net income from rental real estate activities

Net income from other rental activities

Interest

Dividends

Royalties

Net short-term capital gain

Net long-term capital gain

Other portfolio income

Net gain under Section 1231

Other income

Tax-exempt interest and other income

Other increases:

Distributions:

Cash

Property (adjusted basis)

Decrease in share of partnership liabilities

Subtotal 1,698,386**Decreases:**

Nondeductible noncapital expenses 19,442

Deductible items:

Ordinary loss 376,043

Net loss from rental real estate activities

Net loss from other rental activities

Royalties

Net short-term capital loss

Net long-term capital loss

Other portfolio loss

Net loss under Section 1231

Other losses

Charitable contributions

Section 179 expense

Deductions related to portfolio income

Other deductions

Interest expense on investment debts

Foreign taxes

Section 59(e) expenses

Depletion 395,485

Other decreases:

End of year 1,302,901

*Note to partner: This worksheet was prepared based on partnership records. Please consult with your tax advisor for adjustments.

THIS FORM MAY BE REPRODUCED

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Partner# 2

NY Partner's Share of Modifications, Credits, Etc Worksheet		2006												
Form IT-204														
Schedule K-1	For calendar year 2006, or fiscal year beginning _____ and ending _____													
Partner's identifying number Applied For		Partnership's identifying number 22-3800350												
Partner's name, address, and ZIP code JETWELL GARMENTS, LT 576-586 CASTLE PEAK ROAD CHEUNG SAH WAN KOWLOON		Partnership's name, address, and ZIP code PRIVATE LABEL SOURCING, LLC 597 BROADWAY 2ND FLOOR NEW YORK NY 10012												
Composite filer - New York State <input type="checkbox"/> Nonresident <input checked="" type="checkbox"/> Taxes paid - New York State <input type="checkbox"/> Resident <input type="checkbox"/> Composite filer - Yonkers <input type="checkbox"/> Final <input type="checkbox"/> Taxes paid - Yonkers <input type="checkbox"/> Amended <input type="checkbox"/>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Partner's percentage of:</th> <th style="text-align: left;">Beginning of Year</th> <th style="text-align: left;">End of Year</th> </tr> </thead> <tbody> <tr> <td>Profit sharing</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Loss sharing</td> <td>50.000000 %</td> <td>50.000000 %</td> </tr> <tr> <td>Ownership of capital</td> <td>50.811100 %</td> <td>50.811100 %</td> </tr> </tbody> </table>		Partner's percentage of:	Beginning of Year	End of Year	Profit sharing	50.000000 %	50.000000 %	Loss sharing	50.000000 %	50.000000 %	Ownership of capital	50.811100 %	50.811100 %
Partner's percentage of:	Beginning of Year	End of Year												
Profit sharing	50.000000 %	50.000000 %												
Loss sharing	50.000000 %	50.000000 %												
Ownership of capital	50.811100 %	50.811100 %												

Part 1 - Partners' NY modifications

9 New York State additions	See Statement	250.
10 New York State subtractions		
11 Additions to federal itemized deductions		
12 Subtractions from federal itemized deductions		

Part 2 - Partners' credit information

15 Investment credit	
16 Research and development property - investment credit	
17 Addback of investment credit on early dispositions	
18 Defibrillator credit	
19 Investment credit for the financial services industry	
20 Addback of investment credit on early dispositions for the financial services industry	
21 Credit for employment of persons with disabilities	
22 Special additional mortgage recording tax credit	
23 Alternative fuels credit	
24 Addback of alternative fuels credit on early dispositions	
25 Empire State film production credit	
26 Industrial or manufacturing business (IMB) credit	
27 Low income housing credit	
28 Green building credit	
29 Long-term care insurance credit	
30 EZ wage tax credit	
31 Site preparation credit component	
32 Tangible property credit component	
33 On-site groundwater remediation credit component	
34 Addback of brownfield redevelopment tax credit	
35 Claim for remediated brownfield credit for real property taxes	
36 Addback of remediated brownfield credit for real property taxes	
37 Claim for environmental remediation insurance credit	
38 Addback of environmental remediation insurance credit	
39 EZ capital tax credit for investments in certified EZ business	
40 EZ capital tax credit for monetary contributions to EZ development projects	
41 EZ investment tax credit and EZ employment incentive credit	
42 QEZE credit for real property taxes	
43 QEZE employment increase factor	
44 QEZE zone allocation factor	
45 QEZE benefit period factor	
46 Addback of QEZE credit for real property taxes	
47 EZ-ITC and EZ-EIC for the financial services industry	
48 Addback of EZ capital tax, EZ-ITC, and EZ-EIC	
49 Addback of EZ-ITC and EZ-EIC for the financial services industry	

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 Sch K-1 (Form IT-204) 2006

JETWELL GARMENTS, LT
 PRIVATE LABEL SOURCING, LLC

22-3800350

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Part 2 - Partners' credit information (continued)

50 QETC employment credit	
51 QETC capital tax credit	
52 QETC facilities, operations, and training credit	
53 Addback of QETC capital tax credit and low-income housing credit	
54 Security officer training credit	
55 Total acres of qualified agricultural property	
56 Total acres of qualified conservation property	
57 Total amount of eligible taxes paid	
58 Total acres of qualified agricultural property converted to nonqualified use	
59 Claim for fuel cell electric generating equipment credit	
60 Conservation easement credit	
61 Biofuel production credit	
62 Clean heating fuel credit	
63 Handicapped-accessible taxicabs and livery service vehicles credit	

Part 3 - Income and deductions allocated to New York

64 Ordinary income (loss) from trade or business activities	-368,259.
65 Net income or loss for New York rental real estate activities	
66 Net income or loss from other rental activities	
67 Portfolio income (loss)	
68 Guaranteed payments to partners	
69 Net gain (loss) under IRC section 1231	
70 Other income	
71 Expense deduction for property under IRC section 179	
72 Deductions related to portfolio income	
73 Other deductions	
74 Tax preference items for minimum tax	See Statement
75 New York adjustments to federal tax preference items	1.
76 Investment interest expense	
77 Other items not included above that are required to be reported separately to partners	

Corporate Partner's Business Allocation Information

	New York State	Everywhere
Average value of property		
Real estate owned		
Inventories owned	92,426.	92,426.
Personal property owned		
Property rented	879,040.	943,364.
Receipts in the regular course of business		
Sales of tangible personal property allocated to NY state	5,411,059.	
All sales of tangible personal property		5,411,059.
Services performed		
Other business receipts	90,058.	90,058.
Payroll		
Wages and other compensation of employees	518,471.	518,471.

Corporate Partner's Investment Allocation Information

	Average Value	Liabilities Attributed To Investment Capital	Issuer's Allocation Percentage
Corporate and governmental debt instruments			
Corp stock, stock rights, stock warrants, and stock options			
Cash			

Supplemental Information

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22-3800350

NY Partner Statements

FYE: 12/31/2006

**PRIVATE LABEL SOURCING, LLC
Schedule K-1**Partner #: 2Partner Name: JETWELL GARMENTS, LTSSN/EIN: Applied For**Form IT-204, Schedule K-1, Line 9 - New York State Additions**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
A-1	Personal income and unincorporated business taxes	\$ 250

Form IT-204, Schedule K-1, Line 73 - Tax Preference Items for Minimum Tax

<u>Description</u>	<u>Amount</u>
Depr Adjmt Prop Serv Aft 1986	\$ 1

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Partner# 2

NYC Partner's Share of Modifications Worksheet

Form **NYC-204****Schedule K-1**

For calendar year 2006, or fiscal year beginning

and ending

2006

Partner's identifying number	Applied For	Partnership's identifying number	22-3800350												
Partner's name, address, and ZIP code JETWELL GARMENTS, LT 576-586 CASTLE PEAK ROAD CHEUNG SAH WAN KOWLOON		Partnership's name, address, and ZIP code PRIVATE LABEL SOURCING, LLC 597 BROADWAY 2ND FLOOR NEW YORK NY 10012													
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	Beginning of Year	End of Year													
Profit sharing	50.000000 %	50.000000 %													
Loss sharing	50.000000 %	50.000000 %													
Ownership of capital ..	50.811100 %	50.811100 %													

Additions

- | | | |
|------------|--|--------------------|
| 13 | All income taxes and unincorporated business taxes | <u>250.</u> |
| 14a | Sales and use tax credit | _____ |
| 14b | Relocation credits | _____ |
| 14c | Expenses related to exempt income | _____ |
| 14d | Depreciation adjustments | _____ |
| 14e | Exempt activities | _____ |
| 15 | Other additions | _____ |
| | Total additions | <u><u>250.</u></u> |

Subtractions

- | | | |
|----|--|--------------|
| 17 | All income tax and unincorporated business tax | _____ |
| 18 | Sales and use tax refunds from vendors or NY State | _____ |
| 19 | Wages and salaries subject to federal jobs credit | _____ |
| 20 | Depreciation adjustment | _____ |
| 21 | Exempt income | _____ |
| 22 | 50% of dividends | _____ |
| 23 | Exempt activities | _____ |
| 24 | Other subtractions | _____ |
| | Total subtractions | _____ |

Credit for UBT Paid

- | | |
|---|-------|
| Form NYC-204, line 19 | _____ |
| Form NYC-204, line 21 | _____ |
| Form NYC-204, line 25 | _____ |
| Form NYC-204, lines 22 and 24a through 24d | _____ |
| Percentage of Total Distributive Shares (NYC-204, Sch C, Col 4) | _____ |

Allocation Percentages - Nonresident Partners Only

- | | |
|----------------------------------|------------|
| Business allocation percentage | 97.93000 % |
| Investment allocation percentage | % |
| NYC allocated income | |

Supplemental Information
